

SYSTEMS AND METHODS FOR ASSESSING THE RISK OF A FINANCIAL TRANSACTION USING RECONCILIATION INFORMATION

Abstract

Systems and methods are described for better assessing risk associated with cashing second-party checks and other negotiable instruments using positive pay or other reconciliation information about a check presented for cashing. Positive pay information, which may be made available by a check issuer, provides a list of checks that have been, for example, issued and not yet cashed, already cashed, voided, stolen, and the like, thus providing an indication of whether the check issuer is willing to honor the checks. In various embodiments, positive pay information about a check may be expressed as a graduated positive pay risk score. In various embodiments, the positive pay risk score may be combined with risk scores that are descriptive of other aspects of the check cashing transaction to calculate a risk score for the transaction as a whole. In some embodiments, the risk scores may be used to generate an accept/decline recommendation for the transaction as a whole.